

Appendix A

# Leicester & Leicestershire Housing Market Area

## A Memorandum of Understanding relating to Objectively Assessed Need for Housing – July 2014

### 1.0 Introduction

- 1.1 The National Planning Policy Framework (NPPF) requires local planning authorities to have a clear understanding of housing needs in their area. To achieve this, they should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period<sup>1</sup>. This is a key part of the evidence base to address the NPPF requirement of ensuring that Local Plans meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework<sup>2</sup>.
- 1.2 The Localism Act 2011 places a Duty to Co-operate on local planning authorities and county councils<sup>3</sup>. This requires them to engage constructively, actively and on an on-going basis in the preparation of development plan documents where this involves strategic matters. National policy in the NPPF adds to this statutory duty as it expects local planning authorities to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts.

### 2.0 The Leicester and Leicestershire Housing Market Area

- 2.1 The Leicester and Leicestershire Housing Market Area covers the administrative areas of all nine Leicester and Leicestershire local

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<sup>1</sup> National Planning Policy Framework, paragraph 159.

<sup>2</sup> NPPF, paragraph 47.

<sup>3</sup> Localism Act 2011, section 110.

authorities, all of whom are signatories to this Memorandum, namely:

- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley and Bosworth Borough Council
- Leicester City Council
- Leicestershire County Council
- Melton Borough Council
- North West Leicestershire District Council
- Oadby and Wigston Borough Council

### **3.0 Demonstrating the Duty to Co-operate and meeting the requirements of the National Planning Policy Framework**

- 3.1 The purpose of this Memorandum of Understanding (MOU) between the authorities is to support the Charnwood Borough Local Plan, which is the subject of an Examination; and to set out how the local authorities will collaborate further to ensure the necessary joint evidence is in place to support subsequent Local Plans that will come forward. In this respect, it is intended to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts<sup>4</sup>.
- 3.2 The eight district and city planning authorities within the Housing Market Area, together with Leicestershire County Council, have collaborated to meet the requirements of the NPPF as set out in section 1.0. The main output from this collaboration is a joint SHMA<sup>5</sup>, which identifies the scale and mix of housing needed across the Area between 2011 and 2031; and between 2011 and 2036.
- 3.3 National policy requires the authorities to be able to demonstrate both that they have a clear understanding of their full housing needs across the Housing Market Area; and whether they can meet this need in full in their own area<sup>6</sup>. To enable an understanding of capacity to accommodate additional housing, the NPPF further requires local planning authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the

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<sup>4</sup> NPPF, paragraph 181.

<sup>5</sup> *The Leicester and Leicestershire Strategic Housing Market Assessment*, June 2014.

<sup>6</sup> Paragraph 179 of the NPPF says: 'Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework'.

availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period<sup>7</sup>.

- 3.4 The table below sets out the objectively assessed need for additional housing in the Housing Market Area between 2011 and 2028, which is the period covered by the Charnwood Borough Local Plan.

<b>Local Authority</b>	<b>Objectively Assessed Need 2011 to 2028<sup>8</sup></b>
Blaby District Council	6,120 - 7,140
Charnwood Borough Council	13,770 - 13,940
Harborough District Council	7,055 - 8,075
Hinckley and Bosworth Borough Council	6,375 - 7,650
Leicester City Council	21,250 - 22,950
Melton Borough Council	3,400 - 4,250
North West Leicestershire District Council	4,845 - 5,950
Oadby and Wigston Borough Council	1,360 - 1,700
<b>HMA TOTAL</b>	<b>64,175 - 71,655</b>

*Source: Strategic Housing Market Assessment*

- 3.5 All authorities in the Area have completed their own SHLAA to an agreed common methodology. Based on these technical assessments and transport capacity work led by the County Council, all authorities are able to accommodate the upper figure in the above table within their own area.
- 3.6 In determining housing targets in their Local Plans, local authorities should take account of the requirements of national policy and local circumstances, including basing those plans on a strategy that seeks to meet the objectively assessed need for homes. In this regard, it should be noted that all authorities in the Housing Market Area are at different stages of plan preparation. Those authorities that do not have an up-to-

<sup>7</sup> NPPF, paragraph 159.

<sup>8</sup> The figures in this column are derived by annualising the objectively assessed need from the SHMA for the period 2011 to 2031 and applying these figures to the period 2011 to 2028. The figures are, therefore, the same as the SHMA except that they cover three years less.

date adopted plan or are reviewing an adopted plan are likely to be progressing plans with horizon dates of 2031 or 2036. In determining their housing target over the relevant plan period each authority will take account of all relevant evidence.

- 3.7 Against this background, the authorities are able to confirm that for the purposes of the Charnwood Borough Local Plan examination the full need for homes within the Housing Market Area in the above table can be met, meaning there is no unmet requirement in the Housing Market Area to at least 2028.

#### **4.0 Further work to support Local Plan reviews**

- 4.1 To cover the period from 2028 to 2031, specific transport modelling for significant new development proposals will be completed, as appropriate by the County and City highway authorities, within a time period to meet the respective local plan preparation programmes for each authority. The programme of transport modelling required will be agreed and commissioned by the relevant local planning and highway authorities as soon as possible and authorities will use their best endeavours to ensure completion no later than the end of January 2015.
- 4.2 Beyond 2031 there is a need to articulate a longer term strategy for the spatial development of the Housing Market Area to ensure that opportunities for future economic growth are maximised. This strategy will need to set out how future growth and development will be promoted and accommodated through Local Plans, particularly those with end dates of 2036. A project plan and timeline will be developed for this work as soon as possible. The work will be commissioned and managed by the Housing, Planning and Infrastructure Group and be completed in accordance with the agreed timetable to be included in the project plan.

#### **5.0 Conclusion**

- 5.1 The purpose of this MOU is formally to record and make public the local authorities' agreement under the Duty to Co-operate to the position as set out in this Memorandum. This MOU has been endorsed by Members of each of the nine local authorities at a meeting of the joint Member Advisory Group on 24<sup>th</sup> July 2014.
- 5.2 The nine authorities that form signatories to this Memorandum agree, therefore, that the figures in the table above represent the level of objectively assessed need in each district in order to meet the overall

identified need for additional housing within the Leicester and Leicestershire Housing Market Area between 2011 and 2028; and that based on SHLAAs and transport capacity work led by the County Council such levels of additional housing are able to be accommodated by each district in which the need arises.